

China 2013

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The debates concerning the present and future of China—an “emerging” power—always leave me unconvinced. Some argue that China has chosen, once and for all, the “capitalist road” and intends even to accelerate its integration into contemporary capitalist globalization. They are quite pleased with this and hope only that this “return to normality” (capitalism being the “end of history”) is accompanied by development towards Western-style democracy (multiple parties, elections, human rights). They believe—or need to believe—in the possibility that China shall by this means “catch up” in terms of per capita income to the opulent societies of the West, even if gradually, which I do not believe is possible. The Chinese right shares this point of view. Others deplore this in the name of the values of a “betrayed socialism.” Some associate themselves with the dominant expressions of the practice of *China bashing*¹ in the West. Still others—those in power in Beijing—describe the chosen path as “Chinese-style socialism,” without being more precise. However, one can discern its characteristics by reading official texts closely, particularly the Five-Year Plans, which are precise and taken quite seriously.

In fact the question, “Is China capitalist or socialist?” is badly posed, too general and abstract for any response to make sense in terms of this absolute alternative. In fact, China has actually been following an original path since 1950, and perhaps even since the Taiping Revolution in the nineteenth century. I shall attempt here to clarify the nature of this original path at each of the stages of its development from 1950 to today—2013.

The Agrarian Question

Mao described the nature of the revolution carried out in China by its Communist Party as an anti-imperialist/anti-feudal revolution looking toward socialism. Mao never assumed that, after having dealt with imperialism and feudalism, the Chinese people had “constructed” a socialist society. He always characterized this construction as the first phase of the long path to socialism.

I must emphasize the quite specific nature of the response given to the agrarian question by the Chinese Revolution. The distributed (agricultural) land was not privatized; it remained the property of the nation represented by village communes and only the use was given to rural families. That had not been the case in Russia where Lenin, faced with the *fait accompli* of the peasant insurrection in 1917, recognized the private property of the beneficiaries of land distribution.

Why was the implementation of the principle that agricultural land is not a commodity possible in China (and Vietnam)? It is constantly repeated that peasants around the world long for property and that alone. If such had been the case in China, the decision to nationalize the land would have led to an endless peasant war, as was the case when Stalin began forced collectivization in the Soviet Union.

The attitude of the peasants of China and Vietnam (and nowhere else) cannot be explained by a supposed “tradition” in which they are unaware of property. It is the product of an intelligent and exceptional political line implemented by the Communist Parties of these two countries.

The Second International took for granted the inevitable aspiration of peasants for property, real enough in nineteenth-century Europe. Over the long European transition from feudalism to capitalism (1500–1800), the earlier institutionalized feudal forms of access to the land through rights shared among king, lords, and peasant serfs had gradually been dissolved and replaced by modern bourgeois private property, which treats the land as a commodity—a good that the owner can freely dispose of (buy and sell). The socialists of the Second International accepted this *fait accompli* of the “bourgeois revolution,” even if they deplored it.

They also thought that small peasant property had no future, which belonged to large mechanized agricultural enterprise modeled on industry. They thought that capitalist development by itself would lead to such a concentration of property and to the most effective forms of its exploitation (see Kautsky’s writings on this subject). History proved them wrong. Peasant agriculture gave way to capitalist family agriculture in a double sense; one that produces for the market (farm consumption having become insignificant) and one that makes use of modern equipment, industrial inputs, and bank credit. What is more, this capitalist family agriculture has turned out to be quite efficient in comparison with large farms, in terms of volume of production per hectare per worker/year. This observation does not exclude the fact that the modern capitalist farmer is exploited by generalized monopoly capital, which controls the upstream supply of inputs and credit and the downstream marketing of the products. These farmers have been transformed into subcontractors for dominant capital.

Thus (wrongly) persuaded that large enterprise is always more efficient than small in every area—industry, services, and agriculture—the radical socialists of the Second International assumed that the abolition of landed property (nationalization of the land) would allow the creation of large socialist farms (analogous to the future Soviet *sovkhozes* and *kolkhozes*). However, they were unable to put such measures to the test since revolution was not on the agenda in their countries (the imperialist centers).

The Bolsheviks accepted these theses until 1917. They contemplated the nationalization of the large estates of the Russian aristocracy, while leaving property in communal lands to the peasants. However, they were subsequently caught unawares by the peasant insurrection, which seized the large estates.

Mao drew the lessons from this history and developed a completely different line of political action. Beginning in the 1930s in southern China, during the long civil war of liberation, Mao based the increasing presence of the Communist Party on a solid alliance with the poor and landless peasants (the majority), maintained friendly relations with the middle peasants, and isolated the rich peasants at all stages of the war, without necessarily antagonizing them. The success of this line prepared the large majority of rural inhabitants to consider and accept a solution to their problems that did not require private property in plots of land acquired through distribution. I think that Mao's ideas, and their successful implementation, have their historical roots in the nineteenth-century Taiping Revolution. Mao thus succeeded where the Bolshevik Party had failed: in establishing a solid alliance with the large rural majority. In Russia, the *fait accompli* of summer 1917 eliminated later opportunities for an alliance with the poor and middle peasants against the rich ones (the *kulaks*) because the former were anxious to defend their acquired private property and, consequently, preferred to follow the *kulaks* rather than the Bolsheviks.

This “Chinese specificity”—whose consequences are of major importance—absolutely prevents us from characterizing contemporary China (even in 2013) as “capitalist” because the capitalist road is based on the transformation of land into a commodity.

Present and Future of Petty Production

However, once this principle is accepted, the forms of using this common good (the land of the village communities) can be quite diverse. In order to understand this, we must be able to distinguish petty production from small property.

Petty production—peasant and artisanal—dominated production in all past societies. It has retained an important place in modern capitalism, now linked with small property—in agriculture, services, and even certain segments of industry. Certainly in the dominant triad of the contemporary world (the United States, Europe, and Japan) it is receding. An example of that is the disappearance of small businesses and their replacement by large commercial operations. Yet this is not to say that this change is “progress,” even in terms of efficiency, and all the more so if the social, cultural, and civilizational dimensions are taken into account. In fact, this is an example of the distortion produced by the domination of rent-seeking generalized monopolies. Hence, perhaps in a future socialism the place of petty production will be called upon to resume its importance.

In contemporary China, in any case, petty production—which is not necessarily linked with small property—retains an important place in national production, not only in agriculture but also in large segments of urban life.

China has experienced quite diverse and even contrasting forms of the use of land as a common good. We need to discuss, on the one hand, efficiency (volume of production from a hectare per worker/year) and, on the other, the dynamics of the transformations set in motion. These forms can strengthen tendencies towards capitalist development, which would end up calling into question the non-commodity status of the land, or can be part of development in a socialist direction. These questions can be answered only through a concrete examination of the forms at issue, as they were implemented in successive moments of Chinese development from 1950 to the present.

At the beginning, in the 1950s, the form adopted was petty family production combined with simpler forms of cooperation for managing irrigation, work requiring coordination, and the use of certain kinds of equipment. This was associated with the insertion of such petty family production into a state economy that maintained a monopoly over purchases of produce destined for the market and the supply of credit and inputs, all on the basis of planned prices (decided by the center).

The experience of the communes that followed the establishment of production cooperatives in the 1970s is full of lessons. It was not necessarily a question of passing from small production to large farms, even if the idea of the superiority of the latter inspired some of its supporters. The essentials of this initiative originated in the aspiration for decentralized socialist construction. The Communes not only had responsibility for managing the agricultural production of a large village or a collective of villages and hamlets (this organization itself was a mixture of forms of small family production and more ambitious specialized production), they also provided a larger framework: (1) attaching industrial activities that employed

peasants available in certain seasons; (2) articulating productive economic activities together with the management of social services (education, health, housing); and (3) commencing the decentralization of the political administration of the society. Just as the Paris Commune had intended, the socialist state was to become, at least partially, a federation of socialist Communes.

Undoubtedly, in many respects, the Communes were in advance of their time and the dialectic between the decentralization of decision-making powers and the centralization assumed by the omnipresence of the Communist Party did not always operate smoothly. Yet the recorded results are far from having been disastrous, as the right would have us believe. A Commune in the Beijing region, which resisted the order to dissolve the system, continues to record excellent economic results linked with the persistence of high-quality political debates, which disappeared elsewhere. Current projects of “rural reconstruction,” implemented by rural communities in several regions of China, appear to be inspired by the experience of the Communes.

The decision to dissolve the Communes made by Deng Xiaoping in 1980 strengthened small family production, which remained the dominant form during the three decades following this decision. However, the range of users’ rights (for village Communes and family units) has expanded considerably. It has become possible for the holders of these land use rights to “rent” that land out (but never “sell” it), either to other small producers—thus facilitating emigration to the cities, particularly of educated young people who do not want to remain rural residents—or to firms organizing a much larger, modernized farm (never a *latifundia*, which does not exist in China, but nevertheless considerably larger than family farms). This form is the means used to encourage specialized production (such as good wine, for which China has called on the assistance of experts from Burgundy) or test new scientific methods (GMOs and others).

To “approve” or “reject” the diversity of these systems a priori makes no sense, in my opinion. Once again, the concrete analysis of each of them, both in design and the reality of its implementation, is imperative. The fact remains that the inventive diversity of forms of using commonly held land has led to phenomenal results. First of all, in terms of economic efficiency, although urban population has grown from 20 to 50 percent of total population, China has succeeded in increasing agricultural production to keep pace with the gigantic needs of urbanization. This is a remarkable and exceptional result, unparalleled in the countries of the “capitalist” South. It has preserved and strengthened its food sovereignty, even though it suffers from a major handicap: its agriculture feeds 22 percent of the world’s population reasonably well while it has only 6 percent of the world’s arable land. In addition, in terms of the way (and level) of life of rural populations, Chinese villages

no longer have anything in common with what is still dominant elsewhere in the capitalist third world. Comfortable and well-equipped permanent structures form a striking contrast, not only with the former China of hunger and extreme poverty, but also with the extreme forms of poverty that still dominate the countryside of India or Africa.

The principles and policies implemented (land held in common, support for petty production without small property) are responsible for these unequalled results. They have made possible a relatively controlled rural-to-urban migration. Compare that with the capitalist road, in Brazil, for example. Private property in agricultural land has emptied the countryside of Brazil—today only 11 percent of the country's population. But at least 50 percent of urban residents live in slums (the *favelas*) and survive only thanks to the “informal economy” (including organized crime). There is nothing similar in China, where the urban population is, as a whole, adequately employed and housed, even in comparison with many “developed countries,” without even mentioning those where the GDP per capita is at the Chinese level!

The population transfer from the extremely densely populated Chinese countryside (only Vietnam, Bangladesh, and Egypt are similar) was essential. It improved conditions for rural petty production, making more land available. This transfer, although relatively controlled (once again, nothing is perfect in the history of humanity, neither in China nor elsewhere), is perhaps threatening to become too rapid. This is being discussed in China.

Chinese State Capitalism

The first label that comes to mind to describe Chinese reality is state capitalism. Very well, but this label remains vague and superficial so long as the specific content is not analyzed.

It is indeed capitalism in the sense that the relation to which the workers are subjected by the authorities who organize production is similar to the one that characterizes capitalism: submissive and alienated labor, extraction of surplus labor. Brutal forms of extreme exploitation of workers exist in China, e.g., in the coal mines or in the furious pace of the workshops that employ women. This is scandalous for a country that claims to want to move forward on the road to socialism. Nevertheless, the establishment of a state capitalist regime is unavoidable, and will remain so everywhere. The developed capitalist countries themselves will not be able to enter a socialist path (which is not on the visible agenda today) without passing through this first stage. It is the preliminary phase in the potential commitment of any society to liberating itself from historical capitalism on the long route to socialism/communism. Socialization and

reorganization of the economic system at all levels, from the firm (the elementary unit) to the nation and the world, require a lengthy struggle during an historical time period that cannot be foreshortened.

Beyond this preliminary reflection, we must concretely describe the state capitalism in question by bringing out the nature and the project of the state concerned, because there is not just one type of state capitalism, but many different ones. The state capitalism of France of the Fifth Republic from 1958 to 1975 was designed to serve and strengthen private French monopolies, not to commit the country to a socialist path.

Chinese state capitalism was built to achieve three objectives: (i) construct an integrated and sovereign modern industrial system; (ii) manage the relation of this system with rural petty production; and (iii) control China's integration into the world system, dominated by the generalized monopolies of the imperialist triad (United States, Europe, Japan). The pursuit of these three priority objectives is unavoidable. As a result it permits a possible advance on the long route to socialism, but at the same time it strengthens tendencies to abandon that possibility in favor of pursuing capitalist development pure and simple. It must be accepted that this conflict is both inevitable and always present. The question then is this: Do China's concrete choices favor one of the two paths?

Chinese state capitalism required, in its first phase (1954–1980), the nationalization of all companies (combined with the nationalization of agricultural lands), both large and small alike. Then followed an opening to private enterprise, national and/or foreign, and liberalized rural and urban petty production (small companies, trade, services). However, large basic industries and the credit system established during the Maoist period were not denationalized, even if the organizational forms of their integration into a “market” economy were modified. This choice went hand in hand with the establishment of means of control over private initiative and potential partnership with foreign capital. It remains to be seen to what extent these means fulfill their assigned functions or, on the contrary, if they have not become empty shells, collusion with private capital (through “corruption” of management) having gained the upper hand.

Still, what Chinese state capitalism has achieved between 1950 and 2012 is quite simply amazing. It has, in fact, succeeded in building a sovereign and integrated modern productive system to the scale of this gigantic country, which can only be compared with that of the United States. It has succeeded in leaving behind the tight technological dependence of its origins (importation of Soviet, then Western models) through the development of its own capacity to produce technological inventions. However, it has not (yet?) begun the reorganization of labor from the

perspective of socialization of economic management. The Plan—and not the “opening”—has remained the central means for implementing this systematic construction.

In the Maoist phase of this development planning, the Plan remained imperative in all details: nature and location of new establishments, production objectives, and prices. At that stage, no reasonable alternative was possible. I will mention here, without pursuing it further, the interesting debate about the nature of the law of value that underpinned planning in this period. The very success—and not the failure—of this first phase required an alteration of the means for pursuing an accelerated development project. The “opening” to private initiative—beginning in 1980, but above all from 1990—was necessary in order to avoid the stagnation that was fatal to the USSR. Despite the fact that this opening coincided with the globalized triumph of neo-liberalism—with all the negative effects of this coincidence, to which I shall return—the choice of a “socialism *of* the market,” or better yet, a “socialism *with* the market,” as fundamental for this second phase of accelerated development is largely justified, in my opinion.

The results of this choice are, once again, simply amazing. In a few decades, China has built a productive, industrial urbanization that brings together 600 million human beings, two-thirds of whom were urbanized over the last two decades (almost equal to Europe’s population!). This is due to the Plan and not to the market. China now has a truly sovereign productive system. No other country in the South (except for Korea and Taiwan) has succeeded in doing this. In India and Brazil there are only a few disparate elements of a sovereign project of the same kind, nothing more.

The methods for designing and implementing the Plan have been transformed in these new conditions. The Plan remains imperative for the huge infrastructure investments required by the project: to house 400 million new urban inhabitants in adequate conditions, and to build an unparalleled network of highways, roads, railways, dams, and electric power plants; to open up all or almost all of the Chinese countryside; and to transfer the center of gravity of development from the coastal regions to the continental west. The Plan also remains imperative—at least in part—for the objectives and financial resources of publicly owned enterprises (state, provinces, municipalities). As for the rest, it points to possible and probable objectives for the expansion of small urban commodity production as well as industrial and other private activities. These objectives are taken seriously and the political-economic resources required for their realization are specified. On the whole, the results are not too different from the “planned” predictions.

Chinese state capitalism has integrated into its development project visible social (I am not saying “socialist”) dimensions. These objectives were already present in the Maoist era: eradication of illiteracy, basic health care for everyone, etc. In the first part of the post-Maoist phase (the 1990s), the tendency was undoubtedly to neglect the pursuit of these efforts. However, it should be noted that the social dimension of the project has since won back its place and, in response to active and powerful social movements, is expected to make more headway. The new urbanization has no parallel in any other country of the South. There are certainly “chic” quarters and others that are not at all opulent; but there are no slums, which have continued to expand everywhere else in the cities of the third world.

The Integration of China into Capitalist Globalization

We cannot pursue the analysis of Chinese state capitalism (called “market socialism” by the government) without taking into consideration its integration into globalization.

The Soviet world had envisioned a delinking from the world capitalist system, complementing that delinking by building an integrated socialist system encompassing the USSR and Eastern Europe. The USSR achieved this delinking to a great extent, imposed moreover by the West’s hostility; even blaming the blockade for its isolation. However, the project of integrating Eastern Europe never advanced very far, despite the initiatives of Comecom. The nations of Eastern Europe remained in uncertain and vulnerable positions, partially delinked—but on a strictly national basis—and partially open to Western Europe beginning in 1970. There was never a question of a USSR–China integration, not only because Chinese nationalism would not have accepted it, but even more because China’s priority tasks did not require it. Maoist China practiced delinking in its own way. Should we say that, by reintegrating itself into globalization beginning in the 1990s, it has fully and permanently renounced delinking?

China entered globalization in the 1990s by the path of the accelerated development of manufactured exports possible for its productive system, giving first priority to exports whose rates of growth then surpassed those of the growth in GDP. The triumph of neoliberalism favored the success of this choice for fifteen years (from 1990 to 2005). The pursuit of this choice is questionable not only because of its political and social effects, but also because it is threatened by the implosion of neoliberal globalized capitalism, which began in 2007. The Chinese government appears to be aware of this and very early began to attempt a correction by giving greater importance to the internal market and to development of western China.

To say, as one hears ad nauseam, that China's success should be attributed to the abandonment of Maoism (whose "failure" was obvious), the opening to the outside, and the entry of foreign capital is quite simply idiotic. The Maoist construction put in place the foundations without which the opening would not have achieved its well-known success. A comparison with India, which has not made a comparable revolution, demonstrates this. To say that China's success is mainly (even "completely") attributable to the initiatives of foreign capital is no less idiotic. It is not multinational capital that built the Chinese industrial system and achieved the objectives of urbanization and the construction of infrastructure. The success is 90 percent attributable to the sovereign Chinese project. Certainly, the opening to foreign capital has fulfilled useful functions: it has increased the import of modern technologies. However, because of its partnership methods, China absorbed these technologies and has now mastered their development. There is nothing similar elsewhere, even in India or Brazil, *a fortiori* in Thailand, Malaysia, South Africa, and other places.

China's integration into globalization has remained, moreover, partial and controlled (or at least controllable, if one wants to put it that way). China has remained outside of financial globalization. Its banking system is completely national and focused on the country's internal credit market. Management of the yuan is still a matter for China's sovereign decision making. The yuan is not subject to the vagaries of the flexible exchanges that financial globalization imposes. Beijing can say to Washington, "the yuan is our money and your problem," just like Washington said to the Europeans in 1971, "the dollar is our money and your problem." Moreover, China retains a large reserve for deployment in its public credit system. The public debt is negligible compared with the rates of indebtedness (considered intolerable) in the United States, Europe, Japan, and many of the countries in the South. China can thus increase the expansion of its public expenditures without serious danger of inflation.

The attraction of foreign capital to China, from which it has benefitted, is not behind the success of its project. On the contrary, it is the success of the project that has made investment in China attractive for Western transnationals. The countries of the South that opened their doors much wider than China and unconditionally accepted their submission to financial globalization have not become attractive to the same degree. Transnational capital is not attracted to China to pillage the natural resources of the country, nor, without any transfer of technology, to outsource and benefit from low wages for labor; nor to seize the benefits from training and integration of offshored units unrelated to nonexistent national productive systems, as in Morocco and Tunisia; nor even to carry out a financial raid and allow the imperialist banks to dispossess the national savings, as was the case in Mexico, Argentina, and Southeast Asia. In China, by contrast,

foreign investments can certainly benefit from low wages and make good profits, on the condition that their plans fit into China's and allow technology transfer. In sum, these are "normal" profits, but more can be made if collusion with Chinese authorities permits!

China, Emerging Power

No one doubts that China is an emerging power. One current idea is that China is only attempting to recover the place it had occupied for centuries and lost only in the nineteenth century. However, this idea—certainly correct, and flattering, moreover—does not help us much in understanding the nature of this emergence and its real prospects in the contemporary world. Incidentally, those who propagate this general and vague idea have no interest in considering whether China will emerge by rallying to the general principles of capitalism (which they think is probably necessary) or whether it will take seriously its project of "socialism with Chinese characteristics." For my part, I argue that if China is indeed an emerging power, this is precisely because it has not chosen the capitalist path of development pure and simple; and that, as a consequence, if it decided to follow that capitalist path, the project of emergence itself would be in serious danger of failing.

The thesis that I support implies rejecting the idea that peoples cannot leap over the necessary sequence of stages and that China must go through a capitalist development before the question of its possible socialist future is considered. The debate on this question between the different currents of historical Marxism was never concluded. Marx remained hesitant on this question. We know that right after the first European attacks (the Opium Wars), he wrote: the next time that you send your armies to China they will be welcomed by a banner, "Attention, you are at the frontiers of the bourgeois Republic of China." This is a magnificent intuition and shows confidence in the capacity of the Chinese people to respond to the challenge, but at the same time an error because in fact the banner read: "You are at the frontiers of the People's Republic of China." Yet we know that, concerning Russia, Marx did not reject the idea of skipping the capitalist stage (see his correspondence with Vera Zasulich). Today, one might believe that the first Marx was right and that China is indeed on the route to capitalist development.

But Mao understood—better than Lenin—that the capitalist path would lead to nothing and that the resurrection of China could only be the work of communists. The Qing Emperors at the end of the nineteenth century, followed by Sun Yat Sen and the Guomindang, had already planned a Chinese resurrection in response to the challenge from the West. However, they imagined no other way than that of capitalism and did not have the intellectual wherewithal to understand what capitalism really is and why this path was closed to China, and to all the peripheries

of the world capitalist system for that matter. Mao, an independent Marxist spirit, understood this. More than that, Mao understood that this battle was not won in advance—by the 1949 victory—and that the conflict between commitment to the long route to socialism, the condition for China’s renaissance, and return to the capitalist fold would occupy the entire visible future.

Personally, I have always shared Mao’s analysis and I shall return to this subject in some of my thoughts concerning the role of the Taiping Revolution (which I consider to be the distant origin of Maoism), the 1911 revolution in China, and other revolutions in the South at the beginning of the twentieth century, the debates at the beginning of the Bandung period and the analysis of the impasses in which the so-called emergent countries of the South committed to the capitalist path are stuck. All these considerations are corollaries of my central thesis concerning the polarization (i.e., construction of the center/periphery contrast) immanent to the world development of historical capitalism. This polarization eliminates the possibility for a country from the periphery to “catch up” within the context of capitalism. We must draw the conclusion: if “catching up” with the opulent countries is impossible, something else must be done—it is called following the socialist path.

China has not followed a particular path just since 1980, but since 1950, although this path has passed through phases that are different in many respects. China has developed a coherent, sovereign project that is appropriate for its own needs. This is certainly not capitalism, whose logic requires that agricultural land be treated as a commodity. This project remains sovereign insofar as China remains outside of contemporary financial globalization.

The fact that the Chinese project is not capitalist does not mean that it “is” socialist, only that it makes it possible to advance on the long road to socialism. Nevertheless, it is also still threatened with a drift that moves it off that road and ends up with a return, pure and simple, to capitalism.

China’s successful emergence is completely the result of this sovereign project. In this sense, China is the only authentically emergent country (along with Korea and Taiwan, about which we will say more later). None of the many other countries to which the World Bank has awarded a certificate of emergence is really emergent because none of these countries is persistently pursuing a coherent sovereign project. All subscribe to the fundamental principles of capitalism pure and simple, even in potential sectors of their state capitalism. All have accepted submission to contemporary globalization in all its dimensions, including financial. Russia and India are partial exceptions to this last point, but not Brazil, South Africa, and others. Sometimes there are pieces of a “national industry policy,” but nothing

comparable with the systematic Chinese project of constructing a complete, integrated, and sovereign industrial system (notably in the area of technological expertise).

For these reasons all these other countries, too quickly characterized as emergent, remain vulnerable in varying degrees, but always much more than China. For all these reasons, the appearances of emergence—respectable rates of growth, capacities to export manufactured products—are always linked with the processes of pauperization that impact the majority of their populations (particularly the peasantry), which is not the case with China. Certainly the growth of inequality is obvious everywhere, including China; but this observation remains superficial and deceptive. Inequality in the distribution of benefits from a model of growth that nevertheless excludes no one (and is even accompanied with a reduction in pockets of poverty—this is the case in China) is one thing; the inequality connected with a growth that benefits only a minority (from 5 percent to 30 percent of the population, depending on the case) while the fate of the others remains desperate is another thing. The practitioners of China bashing are unaware—or pretend to be unaware—of this decisive difference. The inequality that is apparent from the existence of quarters with luxurious villas, on the one hand, and quarters with comfortable housing for the middle and working classes, on the other, is not the same as the inequality apparent from the juxtaposition of wealthy quarters, middle-class housing, and slums for the majority. The Gini coefficients are valuable for measuring the changes from one year to another in a system with a fixed structure. However, in international comparisons between systems with different structures, they lose their meaning, like all other measures of macroeconomic magnitudes in national accounts. The emergent countries (other than China) are indeed “emergent markets,” open to penetration by the monopolies of the imperialist triad. These markets allow the latter to extract, to their benefit, a considerable part of the surplus value produced in the country in question. China is different: it is an emergent nation in which the system makes possible the retention of the majority of the surplus value produced there.

Korea and Taiwan are the only two successful examples of an authentic emergence in and through capitalism. These two countries owe this success to the geostrategic reasons that led the United States to allow them to achieve what Washington prohibited others from doing. The contrast between the support of the United States to the state capitalism of these two countries and the extremely violent opposition to state capitalism in Nasser’s Egypt or Boumedienne’s Algeria is, on this account, quite illuminating.

I will not discuss here potential projects of emergence, which appear quite possible in Vietnam and Cuba, or the conditions of a possible resumption of progress in this

direction in Russia. Nor will I discuss the strategic objectives of the struggle by progressive forces elsewhere in the capitalist South, in India, Southeast Asia, Latin America, the Arab World, and Africa, which could facilitate moving beyond current impasses and encourage the emergence of sovereign projects that initiate a true rupture with the logic of dominant capitalism.

Great Successes, New Challenges

China has not just arrived at the crossroads; it has been there every day since 1950. Social and political forces from the right and left, active in society and the party, have constantly clashed.

Where does the Chinese right come from? Certainly, the former comprador and bureaucratic bourgeoisies of the Guomindang were excluded from power. However, over the course of the war of liberation, entire segments of the middle classes, professionals, functionaries, and industrialists, disappointed by the ineffectiveness of the Guomindang in the face of Japanese aggression, drew closer to the Communist Party, even joining it. Many of them—but certainly not all—remained nationalists, and nothing more. Subsequently, beginning in 1990 with the opening to private initiative, a new, more powerful, right made its appearance. It should not be reduced simply to “businessmen” who have succeeded and made (sometimes colossal) fortunes, strengthened by their clientele—including state and party officials, who mix control with collusion, and even corruption.

This success, as always, encourages support for rightist ideas in the expanding educated middle classes. It is in this sense that the growing inequality—even if it has nothing in common with inequality characteristic of other countries in the South—is a major political danger, the vehicle for the spread of rightist ideas, depoliticization, and naive illusions.

Here I shall make an additional observation that I believe is important: petty production, particularly peasant, is not motivated by rightist ideas, like Lenin thought (that was accurate in Russian conditions). China’s situation contrasts here with that of the ex-USSR. The Chinese peasantry, as a whole, is not reactionary because it is not defending the principle of private property, in contrast with the Soviet peasantry, whom the communists never succeeded in turning away from supporting the kulaks in defense of private property. On the contrary, the Chinese peasantry of petty producers (without being small property owners) is today a class that does not offer rightist solutions, but is part of the camp of forces agitating for the adoption of the most courageous social and ecological policies. The powerful movement of “renovating rural society” testifies to this. The Chinese peasantry

largely stands in the leftist camp, with the working class. The left has its organic intellectuals and it exercises some influence on the state and party apparatuses.

The perpetual conflict between the right and left in China has always been reflected in the successive political lines implemented by the state and party leadership. In the Maoist era, the leftist line did not prevail without a fight. Assessing the progress of rightist ideas within the party and its leadership, a bit like the Soviet model, Mao unleashed the Cultural Revolution to fight it. “Bombard the Headquarters,” that is, the Party leadership, where the “new bourgeoisie” was forming. However, while the Cultural Revolution met Mao’s expectations during the first two years of its existence, it subsequently deviated into anarchy, linked to the loss of control by Mao and the left in the party over the sequence of events. This deviation led to the state and party taking things in hand again, which gave the right its opportunity. Since then, the right has remained a strong part of all leadership bodies. Yet the left is present on the ground, restricting the supreme leadership to compromises of the “center”—but is that center right or center left?

To understand the nature of challenges facing China today, it is essential to understand that the conflict between China’s sovereign project, such as it is, and North American imperialism and its subaltern European and Japanese allies will increase in intensity to the extent that China continues its success. There are several areas of conflict: China’s command of modern technologies, access to the planet’s resources, the strengthening of China’s military capacities, and pursuit of the objective of reconstructing international politics on the basis of the sovereign rights of peoples to choose their own political and economic system. Each of these objectives enters into direct conflict with the objectives pursued by the imperialist triad.

The objective of U.S. political strategy is military control of the planet, the only way that Washington can retain the advantages that give it hegemony. This objective is being pursued by means of the preventive wars in the Middle East, and in this sense these wars are the preliminary to the preventive (nuclear) war against China, cold-bloodedly envisaged by the North American establishment as possibly necessary “before it is too late.” Fomenting hostility to China is inseparable from this global strategy, which is manifest in the support shown for the slaveowners of Tibet and Sinkiang, the reinforcement of the U.S. naval presence in the China Sea, and the unstinting encouragement to Japan to build its military forces. The practitioners of *China bashing* contribute to keeping this hostility alive.

Simultaneously, Washington is devoted to manipulating the situation by appeasing the possible ambitions of China and the other so-called emergent countries through the creation of the G20, which is intended to give these countries the illusion that

their adherence to liberal globalization would serve their interests. The G2 (United States/China) is—in this vein—a trap that, in making China the accomplice of the imperialist adventures of the United States, could cause Beijing's peaceful foreign policy to lose all its credibility.

The only possible effective response to this strategy must proceed on two levels: (i) strengthen China's military forces and equip them with the potential for a deterrent response, and (ii) tenaciously pursue the objective of reconstructing a polycentric international political system, respectful of all national sovereignties, and, to this effect, act to rehabilitate the United Nations, now marginalized by NATO. I emphasize the decisive importance of the latter objective, which entails the priority of reconstructing a "front of the South" (Bandung 2?) capable of supporting the independent initiatives of the peoples and states of the South. It implies, in turn, that China becomes aware that it does not have the means for the absurd possibility of aligning with the predatory practices of imperialism (pillaging the natural resources of the planet), since it lacks a military power similar to that of the United States, which in the last resort is the guarantee of success for imperialist projects. China, in contrast, has much to gain by developing its offer of support for the industrialization of the countries of the South, which the club of imperialist "donors" is trying to make impossible.

The language used by Chinese authorities concerning international questions, restrained in the extreme (which is understandable), makes it difficult to know to what extent the leaders of the country are aware of the challenges analyzed above. More seriously, this choice of words reinforces naive illusions and depoliticization in public opinion.

The other part of the challenge concerns the question of democratizing the political and social management of the country.

Mao formulated and implemented a general principle for the political management of the new China that he summarized in these terms: rally the left, neutralize (I add: and not eliminate) the right, govern from the center left. In my opinion, this is the best way to conceive of an effective manner for moving through successive advances, understood and supported by the great majority. In this way, Mao gave a positive content to the concept of democratization of society combined with social progress on the long road to socialism. He formulated the method for implementing this: "the mass line" (go down into the masses, learn their struggles, go back to the summits of power). Lin Chun has analyzed with precision the method and the results that it makes possible.

The question of democratization connected with social progress—in contrast with a “democracy” disconnected from social progress (and even frequently connected with social regression)—does not concern China alone, but all the world’s peoples. The methods that should be implemented for success cannot be summarized in a single formula, valid in all times and places. In any case, the formula offered by Western media propaganda—multiple parties and elections—should quite simply be rejected. Moreover, this sort of “democracy” turns into farce, even in the West, more so elsewhere. The “mass line” was the means for producing consensus on successive, constantly progressing, strategic objectives. This is in contrast with the “consensus” obtained in Western countries through media manipulation and the electoral farce, which is nothing more than alignment with the requirements of capital.

Yet today, how should China begin to reconstruct the equivalent of a new mass line in new social conditions? It will not be easy because the power of the leadership, which has moved mostly to the right in the Communist Party, bases the stability of its management on depoliticization and the naive illusions that go along with that. The very success of the development policies strengthens the spontaneous tendency to move in this direction. It is widely believed in China, in the middle classes, that the royal road to catching up with the way of life in the opulent countries is now open, free of obstacles; it is believed that the states of the triad (United States, Europe, Japan) do not oppose that; U.S. methods are even uncritically admired; etc. This is particularly true for the urban middle classes, which are rapidly expanding and whose conditions of life are incredibly improved. The brainwashing to which Chinese students are subject in the United States, particularly in the social sciences, combined with a rejection of the official unimaginative and tedious teaching of Marxism, have contributed to narrowing the spaces for radical critical debates.

The government in China is not insensitive to the social question, not only because of the tradition of a discourse founded on Marxism, but also because the Chinese people, who learned how to fight and continue to do so, force the government’s hand. If, in the 1990s, this social dimension had declined before the immediate priorities of speeding up growth, today the tendency is reversed. At the very moment when the social-democratic conquests of social security are being eroded in the opulent West, poor China is implementing the expansion of social security in three dimensions—health, housing, and pensions. China’s popular housing policy, vilified by the China bashing of the European right and left, would be envied, not only in India or Brazil, but equally in the distressed areas of Paris, London, or Chicago!

Social security and the pension system already cover 50 percent of the urban population (which has increased, recall, from 200 to 600 million inhabitants!) and the Plan (still carried out in China) anticipates increasing the covered population to 85 percent in the coming years. Let the journalists of China bashing give us comparable examples in the “countries embarked on the democratic path,” which they continually praise. Nevertheless, the debate remains open on the methods for implementing the system. The left advocates the French system of distribution based on the principle of solidarity between these workers and different generations—which prepares for the socialism to come—while the right, obviously, prefers the odious U.S. system of pension funds, which divides workers and transfers the risk from capital to labor.

However, the acquisition of social benefits is insufficient if it is not combined with democratization of the political management of society, with its re-politicization by methods that strengthen the creative invention of forms for the socialist/communist future.

Following the principles of a multi-party electoral system as advocated ad nauseam by Western media and the practitioners of China bashing, and defended by “dissidents” presented as authentic “democrats,” does not meet the challenge. On the contrary, the implementation of these principles could only produce in China, as all the experiences of the contemporary world demonstrate (in Russia, Eastern Europe, the Arab world), the self-destruction of the project of emergence and social renaissance, which is in fact the actual objective of advocating these principles, masked by an empty rhetoric (“there is no other solution than multi-party elections”!). Yet it is not sufficient to counter this bad solution with a fallback to the rigid position of defending the privilege of the “party,” itself sclerotic and transformed into an institution devoted to recruitment of officials for state administration. Something new must be invented.

The objectives of re-politicization and creation of conditions favorable to the invention of new responses cannot be obtained through “propaganda” campaigns. They can only be promoted through social, political, and ideological struggles. That implies the preliminary recognition of the legitimacy of these struggles and legislation based on the collective rights of organization, expression, and proposing legislative initiatives. That implies, in turn, that the party itself is involved in these struggles; in other words, reinvents the Maoist formula of the mass line. Re-politicization makes no sense if it is not combined with procedures that encourage the gradual conquest of responsibility by workers in the management of their society at all levels—company, local, and national. A program of this sort does not exclude recognition of the rights of the individual person. On the contrary, it

supposes their institutionalization. Its implementation would make it possible to reinvent new ways of using elections to choose leaders.

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Notes

1. *China bashing* refers to the favored sport of Western media of all tendencies—including the left, unfortunately—that consists of systematically denigrating, even criminalizing, everything done in China. China exports cheap junk to the poor markets of the third world (this is true), a horrible crime. However, it also produces high-speed trains, airplanes, satellites, whose marvelous technological quality is praised in the West, but to which China should have no right! They seem to think that the mass construction of housing for the working class is nothing but the abandonment of workers to slums and liken “inequality” in China (working class houses are not opulent villas) to that in India (opulent villas side-by-side with slums), etc. *China bashing* panders to the infantile opinion found in some currents of the powerless Western “left”: if it is not the communism of the twenty-third century, it is a betrayal! China bashing participates in the systematic campaign of maintaining hostility towards China, in view of a possible military attack. This is nothing less than a question of destroying the opportunities for an authentic emergence of a great people from the South.

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